TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1936

No. 627

BERNARD JOSEPH MUMM, PETITIONER,

vs.

JACOB E. DECKER & SONS

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE EIGHTH CIRCUIT

PETITION FOR CERTIORARI FILED JANUARY 6, 1937.

CERTIORARI GRANTED FEBRUARY 1, 1937.

SUPREME COURT OF THE UNITED STATES

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[fol. a] [Caption omitted]

IN UNITED STATES DISTRICT COURT, DISTRICT OF MINNESOTA, FOURTH DIVISION

[fol. 1]

In Equity

No. 2717

BERNARD JOSEPH MUMM, Plaintiff,

vs.

JACOB E. DECKER & SONS, Defendant

Agreed Statement of Case—Filed November 29, 1935

Pursuant to the provisions of Federal Equity Rule 77, it is hereby agreed by all parties to the above entitled cause that the following shall constitute the statement of the case for purpose of appeal.

BILL OF COMPLAINT

This is a suit in equity, wherein the bill of complaint alleges infringement of certain United States letters-patent, prays inju-ctive and other relief and alleges that the inventors were the first, original and joint inventors of the subject-matter of the patents-in-suit, and that applications were duly filed, all requirements of then-existing United States Statutes and rules of practice of the Patent Office were complied with and the patents were duly granted, whereof proferts were made.

But said Bill of complaint does not allege or aver compliance with the requirements of Sections 4886 and 4887, United States Rev. Stats. (35 U. S. C. A. Secs. 31, 32), viz., that the inventions of each of the patents-in-suit were not known or used by others in this country before the inventors' discoveries or inventions thereof, and were not patented or described in any printed publication in this or any foreign country before their, or his, said discoveries or inventions thereof, or that for more than two years prior to the filing of the application for said Letters Patent therefor, or that each invention was not in public use or on sale in this

country, and did not allege or aver that said inventions and each of them were not abandoned, and that no application for a foreign patent for said inventions was filed for more than twelve months prior to the filing of said applications in this country.

MOTION TO DISMISS

Defendant, claiming that the above omitted allegations are "ultimate facts", moved for dismissal of the Bill of [fol. 2] Complaint, pursuant to Federal Equity Rule 29 upon the ground of insufficiency of fact to constitute a valid cause of action in equity.

ORDER SUSTAINING MOTION TO DISMISS

Following submission of briefs and oral argument, the District Court sustained said motion upon said ground and ordered dismissal subject to leave to amend and, amendment, not having been made within the period allowed, final decree of dismissal of said cause of action was signed, filed and entered.

Bernard Joseph Mumm, by Ralph F. Merchant, His Solicitor and Attorney.

November 25, 1935.

Jacob E. Decker & Sons, Maurice M. Moore, by Paul, Paul & Moore, Its Solicitor and Attorney.

November 25, 1935.

Approved November 29th, 1935. Matthew M. Joyce, U. S. District Judge.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA, FOURTH DIVISION

In Equity. No. 2717

BERNARD JOSEPH MUMM, Plaintiff,

vs.

JACOB E. DECKER & SONS, Defendant

FINAL DECREE DISMISSAL—Filed November 4, 1935

This cause came on to be heard upon defendant's motion for settlement of final decree and the bill of complaint herein

not having been amended within the period of five days granted by the order and decree signed, filed and entered herein on October 29, 1935, it is hereby

Ordered, Adjudged and Decreed

That the bill of complaint herein be, and is hereby, finally dismissed upon the ground of insufficiency of fact to con-
[fol. 3] stitute a valid cause of action in equity, with costs to defendant.

Matthew M. Joyce, United States District Judge.

St. Paul, Minnesota, November 4, 1935.

Approved as to form:

Merchant & Kilgore, Ralph F. Merchant, Attorney for Plaintiff. Maurice M. Moore, Paul, Paul & Moore, Attorneys for Defendant.

[File endorsement omitted.]

In United States District Court

[Title omitted]

Notice of Appeal—Filed November 18, 1935

Maurice M. Moore, % Paul, Paul & Moore, 700 Security Building, Minneapolis, Minnesota.

Dear Sir:

You are hereby notified that the plaintiff, Bernard Joseph Mumm, has appealed from the decree of the United States District Court, entered on the 4th day of November 1935, to the United States Circuit Court of Appeals of the Eighth Circuit. The appeal was allowed on the 18 day of November 1935.

Respectfully, Ralph F. Merchant, Solicitor for Plaintiff.

Minneapolis, Minnesota, November 18, 1935.

[fol. 4] Service of the above Notice of Appeal acknowledged this 18 day of November, 1935.

Maurice M. Moore, Paul, Paul & Moore, Solicitor for Defendant.

[File endorsement omitted.]

In United States District Court

Assignment of Errors on Appeal of Bernard Joseph Mumm—Filed November 18, 1935

Now comes the above named plaintiff, Bernard Joseph Mumm, by his solicitor, Ralph F. Merchant, and files the following Assignment of Errors on which he will rely from the decree and order made by this Honorable Court, filed the 4th day of November, 1935, in said cause, dismissing the said plaintiff's Bill for insufficiency:

1. That the Court erred in dismissing the Bill of Complaint upon the ground of insufficiency of fact to constitute a valid cause of action in Equity.

2. That the Court erred in not denying the motion to dismiss plaintiff's Bill on the ground of insufficiency of fact to constitute a valid cause of action in Equity.

Therefore plaintiff-appellant prays that the decree herein may be reversed.

Bernard Joseph Mumm, by Ralph F. Merchant, His Attorney.

Dated November 18, 1935.

[File endorsement omitted.]

In United States District Court

Petition for Appeal by Bernard Joseph Mumm—Filed November 18, 1935

The above named plaintiff, Bernard Joseph Mumm, conceiving himself aggrieved by the order and decree made and entered on November 4, 1935, in the above entitled cause, does hereby appeal from said order and decree to the United States Circuit Court of Appeals for the Eighth Circuit for the reasons specified in the Assignment of Errors filed herewith; and prays that this appeal may be allowed, that a Citation be issued as provided by law, and that a transcript of the record, proceedings, and papers upon which said order and decree were made, duly authenticated, may be sent to

[fol. 5] the United States Circuit Court of Appeals for the Eighth Circuit.

Bernard Joseph Mumm, by Ralph F. Merchant, His Attorney.

Dated November 18, 1935.

The foregoing appeal is hereby allowed.

Matthew M. Joyce, United States District Judge.

[File endorsement omitted.]

Citation in usual form, showing service on Maurice M. Moore, filed November 18, 1935, omitted in printing.

[fol. 6] IN UNITED STATES DISTRICT COURT

STIPULATION WAIVING BOND ON APPEAL AND APPROVAL THEREOF BY DISTRICT JUDGE—Filed November 18, 1935

It is hereby stipulated by and between counsel for the appellant and appellee that the bond for costs as provided in paragraph one of Rule 26 of Rules of the United States District Court for the District of Minnesota, be waived.

Maurice M. Moore, Paul, Paul & Moore, Attorneys for Appellee. Ralph F. Merchant, Attorney for Appellant.

Dated this 13 day of November, 1935.

So Ordered:

Matthew M. Joyce, United States District Judge.

Dated this 18 day of November, 1935.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

PRAECIPE FOR TRANSCRIPT ON APPEAL—Filed November 29, 1935

To the Clerk of the United States District Court for the District of Minnesota, Fourth Division:

SIR:

You will please prepare a transcript of record to be transmitted to the Circuit Court of Appeals for the Eighth Cir-

cuit, in pursuance to the appeal heretofore taken in this case, and include therein the following:

1. Agreed Statement of Case.
2. Final Decree.
3. Notice of Appeal.
4. Petition for Appeal.
5. Assignment of Errors.

[fols. 7-8] 6. Order Allowing Appeal.

7. Citation.
8. Waiver of Bond on Appeal.
9. This Præcipe.
10. Election as to Printing of Record.
11. Clerk's Certificate to Transcript.

Ralph F. Merchant, Merchant & Kilgore, Solicitors for Plaintiff.

Service of within Præcipe acknowledged and contents thereof approved this 25th day of November, 1935.

Maurice M. Moore, Paul, Paul & Moore, Solicitors for Defendant.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

ELECTION AS TO PRINTING OF RECORD—Filed November 29, 1935

An appeal to the United States Circuit Court of Appeals for the Eighth Circuit having been allowed to the Plaintiff herein, Plaintiff hereby elects to have the record on appeal printed under the supervision of the Clerk of said Appellate Court at St. Louis, Missouri.

Ralph F. Merchant, Merchant & Kilgore, Solicitor for Plaintiff.

Dated November 25, 1935.

[File endorsement omitted.]

Clerk's certificate to foregoing transcript omitted in printing.

[fol. 9] Appearances of counsel omitted in printing.

[fol. 10] In United States Circuit Court of Appeals, Eighth Circuit

Order of Submission—May 12, 1936

This cause having been called for hearing in its regular order, the same was argued by Mr. Ralph F. Merchant for appellant and by Mr. Maurice M. Moore for appellee.

Thereupon, this cause was submitted to the Court on the transcript of the record from said District Court and the briefs of counsel filed herein.

[fol. 11] In United States Circuit Court of Appeals, Eighth Circuit, October Term, A. D. 1936

No. 10,552

Bernard Joseph Mumm, Appellant,

vs.

Jacob E. Decker & Sons, Appellee

Appeal from the District Court of the United States for the District of Minnesota

Mr. Ralph F. Merchant (Messrs. Merchant & Kilgore were with him on the brief), for appellant.

Mr. Maurice M. Moore (Mr. R. F. Clough and Messrs. Paul, Paul & Moore were with him on the brief), for appellee.

Before Stone, Woodrough and Thomas, Circuit Judges

Opinion—November 2, 1936

Stone, Circuit Judge, delivered the opinion of the court.

This appeal is from a decree entered after sustaining a motion to dismiss a bill of complaint in a suit for patent infringement.

The sole question here is whether a so-called "short" bill in a patent infringement suit is sufficient. A "short" bill is

one that omits to allege that the invention involved in the suit was not known or used by others in this country prior to the inventor's discovery thereof and not patented, or [fol. 12] described in any printed publication in this or any foreign country before such discovery, or that for more than two years prior to the filing of the application the discovery was not in public use or on sale in this country, or that it had not been abandoned, or that no application for a foreign patent therefor had been filed for more than twelve months prior to the filing thereof—the subject matters of the above allegations being the requirements under Sections 31 and 32 U. S. C. A. Title 35.

There is no difference between the parties as to the fact that prior to promulgation of the General Equity Rules of 1912, the established rule was that such allegations were necessary to the sufficiency of such a complaint. The contention here is that Rule 25 of the above General Equity Rules has changed this situation.

Rule 25 sets forth what shall be contained in a bill in equity. A portion thereof is as follows: "Third, a short and simple statement of the ultimate facts upon which the plaintiff asks relief, omitting any mere statement of evidence." The argument of appellant is that the above matters are not ultimate facts upon which the plaintiff in a patent infringement case must depend in order to establish his right of action. The position of appellee is that they are ultimate facts under the above statute.

The history of litigation involving this point since the equity rules became effective has resulted in a complete opposition of opinion. The district courts are divided and the only determinations by courts of appeal are directly opposed. In Moeller v. Scranton Glass Instrument Co., 19 Fed. (2d) 14, the Third Circuit determined that the short form of bill was sufficient. In Ingrassia v. A. C. W. Mfg. Corporation, 24 Fed. (2d) 703, the Court of Appeals for the Second Circuit determined the direct opposite.

We think the Second Circuit is right. First. Whether viewed as a contract or as a grant or franchise, a patent is purely a statutory creation and Congress may put such limitations upon its allowance as it pleases (Mast v. Stover Mfg. Co., 177 U. S. 485). Congress has seen fit to prescribe the conditions under which a discovery may be patentable and all of the matters covered by the above allegations are

required in that statute (Section 31). Unless they have been complied with there can be no valid patent issued. Since the maintenance of an infringement suit must rest [fol. 13] upon the validity of the patent it is necessary to allege those facts, compliance with which is required by the statute for a valid patent. Rule 25 made no change in the theretofore necessity to plead all ultimate facts upon which the patentee must rely to recover in an infringement action. The allegations required by Section 31 were ultimate facts within the meaning of the decisions prior to promulgation of the General Equity Rules of 1912 (Hayes-Young Tie Plate Co. v. St. Louis Transit Co. (C. C. A. 8), 137 Fed. 80, 81, certiorari denied 199 U. S. 609). Their character has not been affected by the Rule, which still requires pleading of ultimate facts. The statement of these statutory requirements is not pleading of merely evidence, it is pleading of ultimate facts which are to be supported or overthrown by evidence.

Second. It may be argued that Section 69 of Title 35, requiring the defendant to give notice of his intention to rely on any one or more of the above requirements or to be denied reliance thereon is a statutory recognition that the above matters are negative averments and matters of defense. A proper understanding of that section will lead to a contrary conclusion. It is noteworthy that the section does not require that such matters be pleaded as special defenses. All of them may be presented under a general denial. A general denial attacks only allegations appearing in the bill of complaint. Therefore, it would seem that this section, at least by clear implication, recognizes the necessity of affirmative pleading of those matters in the bill. The purpose of the section is, obviously, to narrow the issues through the form of a waiver, thus, preventing surprise or a great amount of often expensive preparation by the plaintiff to meet those matters which are usually more or less formal, in a practical sense, and which will not be real issues in the case. It seemed to us that this section presents a very strong argument in support of the necessity of pleading these matters in the bill.

There is another consideration which probably has no real place in solution of this problem yet it is not to be entirely lost sight of. That consideration is the practical effect of requiring such allegations in the bill. It some-

times happens that the patentee cannot truthfully make some of these averments. This is not a bare theoretical situation as is evidenced by a case in this Circuit (Hayes-Young Tie Plate Co. v. St. Louis Transit Co., 130 Fed. [fol. 14] 900, 902, affirmed 137 Fed. 80), and the case determined by Mr. Justice Thompson on the circuit (Sullivan v. Redfield, Fed. Case No. 13597). Where such a situation arises, litigation may be prevented or, if initiated, may be easily and speedily terminated by a motion to dismiss the bill.

The decree should be and is affirmed.

[fol. 15] In United States Circuit Court of Appeals, Eighth Circuit

No. 10552

Bernard Joseph Mumm, Appellant,

vs.

Jacob E. Decker and Sons

Appeal from the District Court of the United States for the District of Minnesota

Decree—November 2, 1936

This cause came on to be heard on the transcript of the record from the District Court of the United States for the District of Minnesota, and was argued by counsel.

On Consideration Whereof, it is now here ordered, adjudged, and decreed by this Court, that the decree of the said District Court, in this cause be, and the same is hereby, affirmed with costs; and that Joseph E. Decker and Sons have and recover against Bernard Joseph Mumm the sum of Twenty Dollars for their costs herein and have execution therefor.

November 2nd, 1936.

[fol. 16] Clerk's certificate to foregoing transcript omitted in printing.

[fol. 17] SUPREME COURT OF THE UNITED STATES

ORDER ALLOWING CERTIORARI—Filed February 1, 1937

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Eighth Circuit is granted. And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

Endorsed on cover: File No. 41,167. U. S. Circuit Court of Appeals, Eighth Circuit. Term No. 627. Bernard Joseph Mumm, petitioner, vs. Jacob E. Decker & Sons. Petition for a writ of certiorari and exhibit thereto. Filed January 6, 1937. Term No. 627, O. T., 1936.

(8779-C)